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Chairman: Mr. SENGWE (Zimbabwe)

Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. MSELLE

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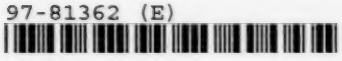

The meeting was called to order at 10.10 a.m.

AGENDA ITEM 112: REVIEW OF THE EFFICIENCY OF THE ADMINISTRATIVE AND FINANCIAL FUNCTIONING OF THE UNITED NATIONS (continued) (A/51/873)

1. Mr. CONNOR (Under-Secretary-General for Administration and Management) introducing the report contained in document A/51/873 which detailed what had been accomplished at the end of the first quarter of 1997 regarding the achievement of managerial reform in the United Nations, said that the process of managerial reform was well under way and that further suggestions regarding organizational and intergovernmental reform would be put forward by the Secretarial-General in his report in July.

2. There was surprising agreement on the problems and recommended solutions, which included the need for more transparency, better use of resources, greater accountability of managers, simpler processes and greater use of information technology. The Secretariat's task was to find ways to implement those solutions. The approach it had taken had six key aspects: setting clear goals; involving the people concerned; examining work processes; measuring performance; using technology; and focusing on results.

3. It was critical for the success of managerial reform to be clear about what the Organization was trying to achieve. The General Assembly and the Secretary-General had led the process by setting very clear yet difficult goals. The Secretariat had been challenged to reduce the budget while delivering all mandated programmes, and to increase the percentage of resources being spent on programmes. The Secretariat had also been challenged to reduce the length and quantity of documents and improve the distribution of information to Member States, in particular by setting a goal of reducing hard copy documentation by 25 per cent.

4. Such goals had set a clear direction and a standard against which the Organization could measure its performance. The Secretary-General had announced that resources for social and economic programmes should be increased by reducing non-programme costs by one third. Of course, it was the task of Member States to decide where the resources would be reallocated once the Secretariat had identified ways in which the resources could be made available. Reducing non-programme costs substantially below 38 per cent was clearly a step in the right direction. The Secretariat was currently analysing ways to reduce non-programme costs. The July report would include proposals on how to shift those resources to economic and social development.

5. The second key aspect was to involve the people concerned, namely the staff members and managers of the United Nations and the people they worked for. Expanded managerial training was being provided within the resources available, and additional resources would be requested for that purpose in the next biennium. Due recognition had been given to teams of staff members who had achieved results. A total of 213 projects had been completed by the end of the

first quarter of 1997, and more than 450 projects had been initiated and were being implemented by staff members and managers. The Secretary-General had set a goal of 400 completed projects by the end of the year and had asked the Secretariat to put significantly more emphasis on effectiveness and service to Member States in addition to efficiency.

6. With regard to the third key aspect the Organization was examining its work processes in the area of human resources in order to deliver better outputs and better value and to hold managers accountable for results. Teams of staff members were taking a systematic look at how the Organization performed its work. One team had looked at how information technology support was provided for meetings. It had found that it would be much more cost-effective and convenient for every conference room to be equipped with a standard package of equipment, and for meeting planners to have a single contact for all their additional information technology needs. The standard package would be installed in three conference rooms by late May and in all conference rooms by the end of the year. A second team had looked at the United Nations pouch system; they were currently testing bar coding of mail and a new process that would enable users to send mail out of the building faster while at the same time making it easier to reconcile charges.

7. With regard to performance measurement, the Organization was drawing lessons from the experience of national governments and other international organizations and, where appropriate, comparing its performance with theirs. Member States had provided expertise and experience in helping to bring about that objective. Meaningful performance measurements were being introduced, and efforts were being made to increase the responsibility of programme managers for achieving specific results. Thus, for example, the United Nations Postal Administration in Europe had established a performance goal of increasing revenues by 10 per cent over the next three years and expanding promotion of United Nations stamps in 6 to 18 countries. Three management pilots were due to be launched in 1997, all of which were based on clearer, enhanced accountability for results in exchange for greater delegation of authority and flexibility within existing rules and resources. The pilots would be held responsible for increasing the percentage of their professional staff positions occupied by women and increasing the percentage of new staff members recruited from unrepresented and under-represented countries.

8. Technology was proving to be a great ally in change. It presented tremendous opportunities for the United Nations to accomplish its mission more effectively and efficiently. Every United Nations Member State currently had access to information via the Internet, which had especially important implications in the developing world. Moreover, the Internet was changing the way in which the Organization performed its work. The new United Nations Home Page was currently receiving more than one million hits every week. People around the world were consulting the United Nations for information about development, security, human rights, international law and the environment. By the end of June, every mission in New York would be connected to the United Nations Home Page and to all United Nations documents on the Optical Disk System via the Internet. By the end of the year, every mission in Geneva and Vienna

would also be connected. The successful effort to extend Internet access to all missions in New York was a credit to the Working Group on Informatics, and it showed what was possible when the Secretariat and Member States worked together to accomplish a clear goal.

9. Information technology was essential for the management of organizations. That was why the Integrated Management Information System (IMIS) had been created and it was changing the way people worked. At least 11 locations around the world currently used IMIS facilities. Personnel management relied heavily on the system, not only in New York and other duty stations but in the specialized agencies as well. The international community had praised IMIS for its contribution to better management.

10. Progress had also been made on internal communications. Recent months had witnessed a fourfold increase in the number of staff members with Internet access, and a 40 per cent increase in the number of e-mail connections. The explosion in information technology clearly benefited delegations and the Secretariat alike. It would also require investment to ensure that the Organization's infrastructure could keep up with the demands being placed upon it.

11. Finally, and most importantly, the Secretariat was focusing all its efforts on ensuring that it could deliver results. Taken together, those efforts added up to a more effective and efficient United Nations. For example, estimated regular budget and extrabudgetary savings of at least $30 million had been achieved in 1996. In 1997, based on the estimates supplied by programme managers the Secretariat expected to save $100 million. The savings reflected mandated budget cuts, unspent although approved resources and expenditures that had been avoided. For example, the Department of Peacekeeping Operations had changed the way it moved equipment around the world. It had started to charter an entire vessel for a given period of time, thus enabling it to move freight to multiple destinations. The result had been a $21 million difference in the cost of transporting United Nations equipment. Additional ways to ship equipment, including consolidating shipments with other United Nations agencies, were currently being explored. The Office of Human Resources Management had saved $25,000 in 1996 in a pilot to use video and teleconferencing for oral examinations and interviews. It was estimated that savings of $50,000 would accrue in 1997, with further savings in 1998-1999. The same technology was enabling other departments to save money and establish better contact with offices and programmes away from Headquarters.

12. It was not simply a matter of cutting costs. The Secretariat was also working to increase its effectiveness and efficiency. In that regard, the Treaty Section in the Office of Legal Affairs had been given the daunting task by the General Assembly of reducing an eight-year backlog of volumes awaiting publication and making the series available on the Internet, despite a 15 per cent staff reduction. The results had been impressive and showed that service could be improved through the use of innovative technology. Furthermore, access to the United Nations Treaty collection in both the developed and developing world was expanding. The Section used to sell 400

paper copies to the public each year; it was now reporting 2,500 hits per week on its Internet site.

13. The Organization was also managing its cash better. For example, instead of buying small amounts of foreign currency from banks at standard rates it was now consolidating its currency purchases and buying small amounts of foreign currency competitively. That change had translated into a saving of $510,000.

14. The Department of Political Affairs had reduced its number of meetings, thereby saving $188,000; it had also improved the publication of its Disarmament Yearbook and reduced the size of the volume by 40 per cent. The United Nations Environment Programme (UNEP) had streamlined its internal management reports, saving $175,252 per year and producing better reports for management and donors. The United Nations Office at Geneva had automated both its financial clerical work and its security systems, saving in total $2.2 million during the present biennium. The Office had also outsourced building management and forecast that savings of $1,155,000 would accrue from the change. However, much remained to be done and a second round of efficiency and effectiveness reviews would be launched in due course.

15. Mr. MWAKAWAGO (United Republic of Tanzania), speaking on behalf of the Group of 77 and China, said that he wished to hear the views of the Advisory Committee on Administrative and Budgetary Questions with regard to the impact on programme delivery of the cost-cutting measures outlined in the report.

16. Ms. PEÑA (Mexico) agreed that the Advisory Committee should be given the opportunity to comment on the report contained in document A/51/873 and asked whether it would be possible to hold informal consultations on the report, since she had a number of comments and doubts about it.

17. It was surprising that the document currently before the Committee had been circulated to the press and even made available to the public before being officially introduced to Member States. Much of the information in it seemed to contain elements that would be appropriate in a biennial budget performance report. The Secretariat should make available a budget performance report for the biennium 1996-1997 as soon as possible, since it would be very helpful in assessing the upcoming proposed programme budget for the biennium 1998-1999.

18. Finally, her delegation wished to know when it could expect to receive a conference room paper containing the promised written replies to questions asked during the 53rd meeting of the Committee.

19. Ms. RODRÍGUEZ ABASCAL (Cuba) said that she, too, felt there was a need for the expert opinion of the Advisory Committee, and she further endorsed the request made by the representative of Mexico that informal consultations should be held on the report contained in document A/51/873. Her delegation was also concerned that the document in question had been made available to the press and the public without any input from the General Assembly. Finally, she had still not received a clear reply from the Secretariat as to when it intended to issue the programme performance report on the impact of approved savings measures on

the implementation of mandated programmes and activities, as stipulated in Part II, paragraph 11, of General Assembly resolution 50/214.

20. Mr. REPASCH (United States of America) asked whether the objective of achieving efficiency savings of approximately $100 million in 1997 in regular and extrabudgetary resources would be reflected in budget documents relating to the current and forthcoming bienniums and, if so, how that would be done.

21. Mr. MOKTEFI (Algeria) endorsed the position of the Group of 77 and China and shared the concerns expressed by other delegations about the manner in which the report contained in document A/51/873 had been submitted to the Fifth Committee. While it was important to establish an interactive dialogue between Member States and the Secretariat, that dialogue must follow established procedures, chief among which was the need to inform Member States of new developments before informing anyone else. His delegation also wished to know if anything was being done to change the management culture of the United Nations.

22. Mr. MIRMOHAMMAD (Islamic Republic of Iran) supported the requests made by other delegations to refer the document currently before the Committee to the Advisory Committee for further consideration. He was also somewhat surprised by the format of document A/51/873, which looked like an annex to a traditional budget performance report.

23. Mr. ATIYANTO (Indonesia) said that in light of the report's importance and comprehensiveness, his delegation also supported the request that the document should be examined by the Advisory Committee.

24. Mr. HANSON (Canada) said that the document consisted of a letter from the Secretary-General describing actions which he was taking under his own authority. If the report contained any recommendations requiring decisions to be taken by the General Assembly, examination by the Advisory Committee would be appropriate; otherwise, the Committee should consider the matter further.

25. Mr. MANLAN (Côte d'Ivoire) said that as the information contained in the document had already been submitted to ambassadors at an earlier briefing, there should be no difficulty in having the Advisory Committee examine it. His delegation regretted the apparent procedural irregularity on the part of the Secretariat.

26. Mr. ARMITAGE (Australia) said that he was unaware that the report required any specific action by the General Assembly, as it simply described actions taken by the Secretary-General under his own authority. A distinction had to be made between actions that were clearly within the authority of the Secretary-General and those that required consultation and decisions by the Member States. The need for consideration by the Advisory Committee was therefore unclear.

27. The CHAIRMAN said that if the distinction between actions that lay within the authority of the Secretary-General and those that required consultation by

the Member States were so simple, there would be no need for the Committee to receive the presentation of the Under-Secretary-General.

28. Mr. WATANABE (Japan) asked for clarification of the status of the present report and the relationship between it and the budget plan for the 1998-1999 biennium.

29. Ms. POWLES (New Zealand) said that the report described savings and efficiencies achieved in Secretariat operations, and inquired as to why the Advisory Committee should be asked to comment on money already saved and efficiencies already gained.

30. Ms. CAIRNS (United Kingdom) expressed her delegation's full support for the comments made by the representatives of Canada, Australia and New Zealand.

31. Ms. PEÑA (Mexico) said that while there was a variety of informal settings in which the Secretariat could outline the reform actions it intended to take, the organization as such had to consider those actions within the framework of an intergovernmental body. Her delegation had asked for an opportunity for the Committee to consider the present report in informal consultations, as it felt that a number of points in the report lacked clarity or would in any case require subsequent decisions by the General Assembly.

32. Mr. SIAL (Pakistan) said that his delegation had taken particular note of Section III of the report, adding that in view of the importance of the optimal use of resources, special attention should be paid to the numerous accounting irregularities that persisted.

33. Mr. IVANOV (Bulgaria) said that the report showed that considerable progress had been made towards reform. While his delegation did not object to the Advisory Committee's considering the report, there seemed to be no clear need for it to do so.

34. Mr. BISTA (Nepal) said that the key to resolving the issue lay in the response of the Under-Secretary-General with regard to whether or not the report contained any recommendations requiring decisions to be taken by the General Assembly.

35. Ms. RODRIGUEZ ABASCAL (Cuba) said that there were a number of items in the report that potentially required the approval of the Member States. For example, she asked for clarification as to whether the meetings proposed for reduction in the Department of Political Affairs were internal in nature or were meetings with Member States. Similarly, was the unnecessary documentation to be reduced in the Department of Conference Services related only to internal Secretariat documents, or did it also include documents requested by Member States? Her delegation was increasingly convinced of the need for the Advisory Committee to evaluate such measures.

36. Mr. FATTAH (Egypt) expressed his delegation's support for the position of the Group of 77 and China that the report should be examined by the Advisory

Committee. In view of the Committee's impending discussion of the new budget and the importance of the report's content to that discussion, the Committee had a clear need for the expert opinions of the Advisory Committee. His delegation saw no justification for selectivity in submitting information to the Advisory Committee, especially since the present report had been released as an official United Nations document.

37. Ms. REKKERS (Netherlands), speaking on behalf of the European Union, said that the Secretary-General's letter of 21 April 1997 to the President of the General Assembly described completed and ongoing efficiency measures which fell under the Secretary-General's purview. Since the report did not contain recommendations requiring a decision by the General Assembly, there was neither the need for a review thereof by the Advisory Committee nor for informal consultations.

38. Ms. SHENWICK (United States of America) asked whether the $100 million represented savings related to the 1996-1997 biennium budget and whether that sum had already been reported on or was yet to be reported on in the revised estimates on the current budget. Such savings should not be dealt with as a separate item out of the context of the budget. That approach would be inconsistent with the United Nations financial rules.

39. Mr. HANSEN-HALL (Ghana) said that the issues of how the savings and other results had been achieved were crucial ones and needed careful study. The report should therefore be submitted to the Advisory Committee for review and recommendations to the Fifth Committee. Informal discussions on the item would also be in order.

40. Mr. SULAIMAN (Syrian Arab Republic) said that his delegation could not take a decision on the document until after it had been reviewed by the Advisory Committee. The report resembled one of the propaganda documents disseminated outside the United Nations and was quite different from the documents submitted to a political body as a basis for decision-making by its member States. The Secretary-General should ensure that reports were presented in a neutral manner without giving opinions in advance. Member States must be given the opportunity of expressing their views on the reforms that had been undertaken.

41. Mr. MIHUT (Romania) endorsed the statement made by the representative of the Netherlands on behalf of the European Union. Submitting the report to the Advisory Committee might mean questioning the authority that Member States had already delegated to the Secretary-General.

42. Ms. PEÑA (Mexico) said that the authority given to the Secretary-General, as the Organization's chief administrative officer, did not preclude Member States from ensuring that he implemented their decisions or from monitoring how he did so. Since the Under-Secretary-General had stressed the importance of dialogue between the Secretariat and Member States, not giving the Committee a chance to express its views on the report would be tantamount to a monologue.

43. Mr. ELMONTASSER (Libyan Arab Jamahiriya) said that submitting the report to the Advisory Committee would not mean that Member States questioned the Secretary-General's abilities. Rather, such a move would strengthen his role. He supported all the reasons invoked for submitting the report to the Advisory Committee, in particular the relevant General Assembly resolution that savings should not affect the full implementation of mandated programmes and activities.

44. Mr. CONNOR (Under-Secretary-General for Administration and Management), responding to questions, said that the report had been available on Monday of the week beginning on 20 April 1997 and the informal briefing for ambassadors had taken place the following day. The articles published in the newspapers had been based on an official document transmitted to the missions.

45. The Secretary-General believed that the items in the report fell within his authority and he would pursue further measures within such authority and submit matters that required legislative action to the General Assembly. The reduction in the meetings of the Department of Political Affairs from four to two was part of the effort to live within the reductions of $154 million from the 1996-1997 regular budget mandated by the Asse bly. Many of the proposals had come out of the process preceding the management reform effort. Many of the actions the Secretary-General had stated he would take would be reflected in the proposed budget for 1998-1999 following the Committee's instructions to embed the efficiency process in the budget process. The savings of $100 million with respect to both the regular and extrabudgetary funds fell into that category. The Secretary-General's instructions were to complete 450 projects by the end of 1997. The budget outline had called for a reduction of appropriations of about $90 million as compared to the mandated reduction of $154 million for the biennium 1996-1997. The Secretariat was responding to the instruction to reduce the budget in real terms. Many items in the report would reappear in the budgeting process.

46. As far as the change of management culture was concerned, managers were now among those proposing and carrying out efficiency measures. Many of the managerial reform efforts were aimed at aligning responsibility with accountability, an area where the Organization had not excelled in the past. Attendance at the bi-weekly management forums was high, partly the result of an expanded continuing education programme. Concerning simplification at the United Nations Conference on Trade and Development (UNCTAD), that process had already been considered by that body's governing council, ensuring that the intergovernmental process had already been involved. Many of the savings highlighted in the report were coming from the use of technologies. The bulk of the actions reported were within the Secretary-General's authority.

47. In real terms, the Secretariat was required to reduce the budget. Within that context, it had been able to increase the two sections of the budget that dealt with international and regional economic and social activities by $55 million; all the other activities had gone down by $75 million.

48. The CHAIRMAN said that the Under-Secretary-General had not answered all the questions. Delegations found the Secretariat's appetite for dealing with the

media unacceptable. The fact that the report's contents had been released to the media even before ambassadors had been briefed was improper. Member States should be briefed before issues were released to the media. Concerning the Secretary-General's first-track proposal to change the Department of Public Information, such action did not fall within the Secretary-General's purview because that Department had been created by one of the earliest resolutions of the Assembly. The reform process must be a team effort between Member States and the Secretariat.

49. Mr. CONNOR (Under-Secretary-General for Administration and Management), noted that delegations had been given the documents before anyone had seen them. The Secretariat could not anticipate every leak that could occur and every effort had been made to ensure that Member States had the documents before anyone else. Such efforts would continue. However, there was also the continued need to address and respond to queries from the media.

50. Mr. FATTAH (Egypt) expressed support for the Chairman's emphasis on teamwork during the reform process. Document 51/873 should be reviewed by the Advisory Committee on Administrative and Budgetary Questions (ACABQ), for a number of reasons: it had been included under agenda items of the Fifth Committee; the Group of 77 and China had referred to it in discussing the prerogatives of Member States and of the Secretary-General; and it would have an impact on the next two bienniums.

51. The CHAIRMAN said that the Bureau would hold consultations with the Secretariat and delegations concerning the programme performance report, which had been the subject of a number of inquiries, and would report to the Committee on the publication date as soon as possible.

52. Ms. PEÑA (Mexico) said that, beyond the information the Bureau would provide, she wished to have a response from Mr. Connor, whose department was responsible for preparing the report. A report on the impact of savings measures during the 1996-1997 biennium would be vital to the Committee's discussions of the new budget outline. Furthermore, as it had been requested by the General Assembly (resolutions 50/214 and 51/221), it represented a political agreement. She also inquired about the publication date of the conference room paper containing replies to the questions raised by delegations during the 53rd meeting of the Fifth Committee. Her delegation welcomed the inclusion of treaties on the Internet but was concerned that it had been able to access very few of them.

53. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that the Advisory Committee would review the letter from the Secretary-General to the President of the General Assembly and the attached report contained in document A/51/873 but would not issue a separate report on it. He had the distinct impression that it had been issued for information purposes only. It would be difficult for the Fifth Committee to take any immediate action on such a document. The Advisory Committee would refer to the information contained in the document when it considered the various sections of the budget for the 1998-1999 biennium. In particular, it

would give careful consideration to those statements relating to savings and efficiency in the context of the various departments and programmes.

54. Even if it had not been specifically directed to do so, the Advisory Committee would have reviewed document A/51/873. The document provided information that would need to be verified, for example, the sources of the $130 million reportedly saved during the 1996-1997 biennium and the allocation of those savings, or the $21 million saved in transport costs under peacekeeping operations.

55. He suggested that, in future, the Secretariat should indicate, from the outset, the intended purpose of the documents it issued and should specify what action, if any, was required of the General Assembly or other bodies. That would avoid unnecessary discussion and confusion.

56. Mr. SULAIMAN (Syrian Arab Republic) asked for clarification of the impact of the proposed decentralization and cost-cutting measures on the language services currently being provided by the Secretariat.

57. Mr. CONNOR (Under-Secretary-General for Administration and Management) said that a conference room paper in response to delegations' questions would probably be ready in two weeks. One of the difficulties in preparing the conference room paper had been that the Secretariat did not know the answers to many of the questions raised; for example, it could not estimate the budgetary impact in a future year of a study that was still in progress. The Committee would be furnished specific information on outcomes as soon as it was available.

58. Replying to the Syrian representative, he said that the Secretariat was merely studying the concept of decentralization in very general terms. It was exploring, in particular, the possibility of increasing flexibility in the provision of language services through advanced technology. For example, remote translation had already been provided for two major conferences. While it was technologically possible to provide interpretation services by satellite, it had not yet been determined whether it would be practicable.

59. Ms. RODRIGUEZ ABASCAL (Cuba) echoed the concerns voiced by the Mexican representative. Earlier in the resumed session, Mr. Paschke, Under-Secretary-General for Internal Oversight Services, had indicated that the Department of Administration and Management was responsible for preparing the report. Subsequently, the Controller had been questioned about it but his response had been unconvincing. It was incomprehensible that no one in the Secretariat could provide clear information on the preparation of a report requested during the fiftieth session.

60. Mr. MARCONDES DE CARVALHO (Brazil) supported the Mexican and Cuban statements. The Member States had made a specific request to the Secretariat nearly two years earlier, which was clearly formulated in General Assembly resolution 50/214. In fact, two reports had been requested in that resolution: the first was already one year late, and no one could provide any information on the second, which was supposed to be issued by June 1997. The report on the

impact of savings measures would be extremely relevant to the discussion of the budget, as it would help the Committee to ascertain which programmes had been affected by the savings measures and which would have to be carried over into the next biennium.

61. Mr. SULAIMAN (Syrian Arab Republic) expressed the hope that any study on the possibility of extending the use of remote translation and interpretation services to regular meetings in New York would be submitted to Member States for their consideration before a decision was taken.

62. Mr. MOKTEFI (Algeria) noted that, in the document on the status of documentation of the Fifth Committee during the second part of its resumed fifty-first session (A/C.5/51/L.57), the report of the Secretary-General on the programme performance report for the biennium 1996-1997 was listed under agenda item 116, but without a symbol or date of issue, confirming that it was supposed to be available soon.

63. Mr. CONNOR (Under-Secretary-General for Administration and Management) said that he would consult with colleagues in the Secretariat in order to determine which Department would issue the programme performance report.

The meeting rose at 12.50 p.m.